

## Message Text

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46

ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 SWF-01 AID-05 CEA-01 CIAE-00

COME-00 EB-07 FRB-01 INR-05 NSAE-00 RSC-01 CIEP-01

SP-02 STR-01 TRSE-00 LAB-04 SIL-01 SAM-01 OMB-01

AGR-05 SSO-00 NSCE-00 L-02 SS-15 NSC-05 TAR-01 INRE-00

/073 W

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O R 121347Z DEC 74

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC IMMEDIATE 7971

INFO ALL EC CAPITALS 145

LIMITED OFFICIAL USE EC BRUSSELS 9788

PASS AGRICULTURE, TREASURY, STR

E.O. 11652: N/A

TAGS: ETRD, EEC

SUBJECT: EC SHIPMENT OF SUBSIDIZED CHEESES TO THE U.S.

REF: A. STATE 269747

B. STATE 272205

1. HIJZEN HAS CONSULTED WITHIN THE COMMISSION ON THE TEXT OF A LETTER TO THE U.S. ON THE CHEESE PROBLEM. HE WILL CONSULT WITH THE MEMBER STATES ON FRIDAY, DEC 13 AT 10 A.M. HE REQUESTS THAT WE ASK WASHINGTON'S REACTION ON CERTAIN CHANGES IN THE TEXT OF THE LETTER IN REFTEL A. HE WOULD APPRECIATE OUR FRNISHING THE REACTION TO HIM BEFORE THAT MEETING--PREFERABLY TODAY.

2. THE TEXT PROPOSED BY HIJZEN IS AS FOLLOWS:

"DEAR MR. AMBASSADOR:

"FOLLOWING THE SUPENSION BY THE EC ON JULY 12, 1974, OF  
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RESTITUTION PAYMENTS ON THE EXPORT OF DAIRY PRODUCTS TO THE

UNITED STATES' ZONE, YOU BROUGHT TO OUR ATTENTION THAT CERTAIN CHEESE ARE BEING IMPORTED FROM THE EUROPEAN COMMUNITY INTO THE CONTINENTAL US AFTER HAVING BEEN PREVIOUSLY IMPORTED INTO (1) (PUERTO ROCO, THE VIRGIN ISLANDS OR OTHER). (N.B. ELEMENTS OF THIS PHRASE MAY BE DROPPED DEPENDING UPON THE COMMUNITY'S REDEFINITION OF THE US CUSTOMS TERRITORY, - REFTEL B) US POSSESSIONS AND TERRITORIES, AND (2) THIRD COUNTRIES. THESE SHIPMENTS, OF COURSE, RECEIVED THE EC EXPORT RESTITUTION PAYMENT IN EFFECT FOR EXPORTS TO THIRD COUNTRIES. (N.B. HIJZEN MADE NO CHANGE IN THE PRECEDING SENTENCE, BUT REFTEL A WAS GARBLED.) AS YOU KNOW, THE INTENT OF THE EC COMMON AGRICULTURAL POLICY RULES IS THAT THE RESTITUTION PAYMENTS ARE MADE IN ORDER TO MAKE IT POSSIBLE TO SELL THE DAIRY PRODUCTS IN THE COUNTRY OF DESTINATION. TRANS-SHIPMENTS FROM ONE ZONE TO ANOTHER ARE CLEARLY NOT INTENDED BY THESE RULES. AS YOU KNOW, THE COMMISSION HAS TAKEN CERTAIN STEPS WHICH, YOU HAVE ADVISED US, MAY APPEAR INSUFFICIENT TO SOLVE THE PROBLEM. IT IS THEREFORE ENVISAGED THAT YOU COULD TAKE SUCH STEPS, OTHER THAN COUNTERVAILING DUTIES, AS MAY LEGALLY BE POSSIBLE TO PREVENT SHIPMENTS OF CERTAIN NON-QUOTA CHEESES TO WHICH RESTITUTION PAYMENTS ARE APPLICABLE PROVIDED THAT:

"(1) UNDER NO CIRCUMSTANCES SHALL YOU INVOKE THIS LETTER TO PREVENT THE SHIPMENT OR TRANSSHIPMENT OF DAIRY PRODUCTS AS TO WHICH NO RESTITUTION PAYMENTS ARE APPLICABLE.

"(2) UNDER NO CIRCUMSTANCES SHALL YOU INVOKE THIS LETTER TO PREVENT DIRECT SHIPMENTS FROM THE EC COUNTRIES DIRECTLY TO ZONE E (CONTINENTAL US).

"(3) THIS LETTER MAY BE WITHDRAWN BY US AT ANY TIME ON 20 DAYS NOTICE.

"YOU SHOULD RELY ON OUR PUBLISHED RESTITUTION PAYMENTS IN DETERMINING WHICH DAIRY PRODUCTS ARE BENEFITTING FROM THESE PAYMENTS AT ANY GIVEN TIME. IF YOU HAVE ANY QUESTIONS CONCERNING THIS YOU SHOULD CONSULT APPROPRIATE OFFICIALS OF THIS COMMISSION.

"PLEASE ADVISE US WHETHER YOU CONSIDER THIS A SUITABLE BASIS FOR SOLVING OUR PRESENT DIFFICULTIES."  
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SINCERELY YOURS,"

3. HIJZEN SAID THAT HE WAS PROPOSING THESE CHANGES, NOT IN ANY "TAKE IT OR LEAVE IT" FASHION BUT IN AN EFFORT TO FIND OUT IF ANY OF HIS CHANGES COULD CAUSE THE U.S. TROUBLE. HE STATED HE WOULD TAKE ACCOUNT OF WASHINGTON COMMENTS. GREENWALD

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DAIRY PRODUCTS, EXPORTS, RELATIONS WITH REGIONAL ORGS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 DEC 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Unique ID:** 00  
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**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1974/newtext/t19741241/aaaabith.tel  
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**Previous Handling Restrictions:** n/a  
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**Review Date:** 08 APR 2002  
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**Secure:** OPEN  
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**TAGS:** ETRD, US, EEC  
**To:** STATE  
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